



Compliance News

Administrative Letter for Marketing Order Administration Branch Compliance Programs

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Greetings & News

Welcome to the first edition of *Compliance News* for the year 2003. This edition will cover compliance activities from January through March 2003.

Thank you for taking the time to read *Compliance News* and we look forward to working with you on all Marketing Order related compliance issues.

Recently, The Compliance Team has had a few personnel changes. Maureen McPhillips has applied for disability and is on leave. We wish the best for Maureen.

Also, we are delighted to welcome two new members to the Compliance Team: Tim Swainhart and Nakesha Walton.

Tim Swainhart has been with the USDA for 12 years. He has accepted the position as Senior Marketing Specialist. Prior to joining the Compliance Team, Tim worked with the PACA Branch located in Manassas, Virginia.

Nakesha Walton is in the MOAB Internship Program. She is a graduate student pursuing her MBA with a Concentration in Management Information Systems at Keller Graduate School of Management of DeVry University, located in Crystal City, Virginia. Nakesha received her BS in Economics with a Concentration in Pre-Law at North Carolina A&T State University in Greensboro, North Carolina.

Please join us in welcoming Tim and Nakesha to the Compliance Team! We look forward to their contributions.

Synopsis of Compliance Team Activity

During this quarter the Compliance Team resolved and closed two Marketing Order cases, approved one compliance plan, referred five cases to the Office of General Counsel for administrative adjudication proceedings, and assessed one civil penalty.

Upcoming Events

Representatives from the Compliance Team will conduct Marketing Order and Section 8e training on **April 30, 2003**, at the Fresh Inspection Training Facility in Fredericksburg, Virginia. This training is given regularly to new inspectors.

Reminder:



All compliance plans must be updated and approved by the Department annually.

If your plan has been reviewed and returned with recommendations, please submit the revised plan to the appropriate Marketing Field Office. They will forward the plan to the Compliance Team. Please do not submit a copy of

the previous year's compliance plan without review.

consolidated with the 15(A) hearing.

984

Walnuts

Marketing Order Compliance

New Compliance Tool

When the Department is unable to collect an assessment, along with any related fees or penalties, the Department may now discharge the indebtedness and report the outstanding balance discharged to the IRS as income to the debtor. The appropriate instructions and procedures will be sent to the Field Offices and the Committees in April 2003.

15(A) Hearing Continues

Gerawan Farming, Inc. Case Continues

The 15(A) hearing was held during the week of February 18, 2003. Gerawan Farming, Inc., a California handler subject to both the nectarine and peach marketing orders, filed a petition asking the Secretary to declare the marketing orders' advertising, promotion and "other speech related" activities unconstitutional in light of the Supreme Court's recent United Foods decision. Gerawan also seeks to be excluded from all future marketing assessments for such activities and is withholding the promotion portion of its assessment payments. The hearing will be continued the week of September 8-12, 2003. The 14(B) action initiated by the Department for nonpayment of the assessments has been

14(B) Hearing Decision

Golden Sun Gem, Inc., a.k.a Sun Fruit Inc., Case Settled

On February 25, 2003, Administrative Law Judge Jill Clifton issued her Decision and Order requiring Golden Sun Gem Inc., Madera, California to comply with each and every provision of the Act and the marketing orders for raisins and almonds produced in California. Specifically, Golden Sun Gem agreed not to engage in the handling of raisins and almonds for a period of 3 years and pay a civil penalty of \$5,000. If Golden Sun handles during the 3 year probation period, they will be assessed an additional penalty of \$10,000.

Complaints Filed

Complaints were filed against Sunsweet Growers, Inc., Yuba City, CA, for failing to pay assessments. A second complaint was filed against Rio Rico Farms, Progreso, TX, a handler of onions and melons grown in Texas, for failing to pay assessments for the 2001 crop season.

Program Reviews

We completed a compliance review of Marketing Order 925, Desert Grapes grown in CA, in March 2003. The following program reviews will be completed in 2003:

958
981

ID/OR Onions
Almonds

Section 8e Compliance

8e Port Visits

Team members from the Compliance Team visited two ports of entry this period. We visited Rio Grande City, Texas, in January and Burlington, Vermont, in March. Due to recent staff changes, our upcoming schedule has not been finalized. 8e port visits are designed to educate importers, brokers, and others on 8e requirements.

Termination of Marketing Order for Florida Limes

As a result of a September 2002 continuance referendum and following a 60-day notification to Congress, the Marketing Order for Florida Limes was terminated. The Florida Lime Program had been suspended effective February 19, 2002, because of citrus canker. The suspension gave the industry time to evaluate the eradication efforts and make a decision concerning the Program. Effective March 6, 2003, the Florida Lime Program and the grade, size, and maturity regulations for imported limes were terminated.

Prior Notice of Imported Food Under the Bioterrorism Act

The Bioterrorism Act requires the FDA to issue regulations for prior notification of any food items imported into the United States. If the regulations are not in effect by December 12, 2003, the Act requires importers to

provide notification no less than eight hours or more than 5 days prior to shipment. Section 307 of the Act requires extensive information from the importers such as manufacturer, shipper, grower (if known), country of origin, and anticipated port of entry. This requirement could have significant implications for some of our responsibility regarding imported 8e items.

8e Import Data Summaries

The remainder of this newsletter summarizes 8e import data, which is reported for the time period January through December 2002. The data for this analysis comes from two different sources. The first source, MOAB's compliance database, provides data for the country of origin and port of entry percentages. The second source is total metric ton volume and monthly volume figures from Census supplied to the USDA, Foreign Agricultural Service.

This issue of *Compliance News* was written by the members of the Marketing Order Compliance Team.

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Avocados**Port of Entry**

	2001 (JAN-DEC)	2002 (JAN-DEC)
LOS ANGELES, CA	23.0%	43.4%
SAN DIEGO, CA	41.0%	21.1%
NEWARK, NJ	7.3%	8.2%
CHICAGO, IL	4.9%	7.2%
	76.1%	79.9%

Country of Origin

	2001 (JAN-DEC)	2002 (JAN-DEC)
CHILE	65.5%	66.2%
MEXICO	18.9%	22.3%
DOMINICAN REPUBLIC	12.5%	9.6%
	97.0%	98.2%

Total Imported

Metric Tons	73,119	90,466
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Marketing Order Period

By Variety

Dates**Port of Entry**

	2001 (JAN-DEC)	2002 (JAN-DEC)
MINNEAPOLIS-ST. PAUL, MN	41.7%	31.1%
NEWARK, NJ	20.2%	24.8%
LOS ANGELES, CA	13.4%	19.3%
CHICAGO, IL	5.3%	5.7%
	80.6%	81.0%

Country of Origin

	2001 (JAN-DEC)	2002 (JAN-DEC)
PAKISTAN	46.4%	44.1%
IRAN	17.2%	23.5%
MEXICO	12.2%	10.5%
	75.8%	

Total Imported

Metric Tons	4,147	4,148
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Marketing Order Period

All Year

Grapefruit**Port of Entry**

	2001 (JAN-DEC)	2002 (JAN-DEC)
FORT PIERCE, FL	93.5%	97.3%
WEST PALM BEACH, FL	0.7%	1.7%
NEWARK, NJ	0.4%	0.8%
NOGALES, AZ	0.0%	0.0%
	94.5%	

Country of Origin

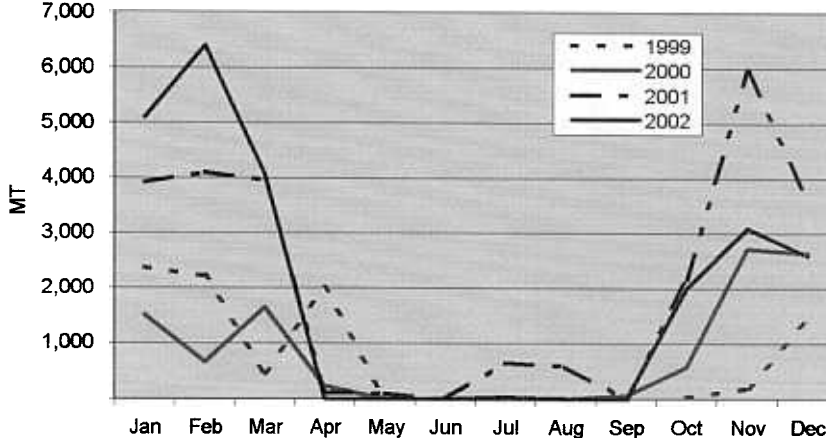
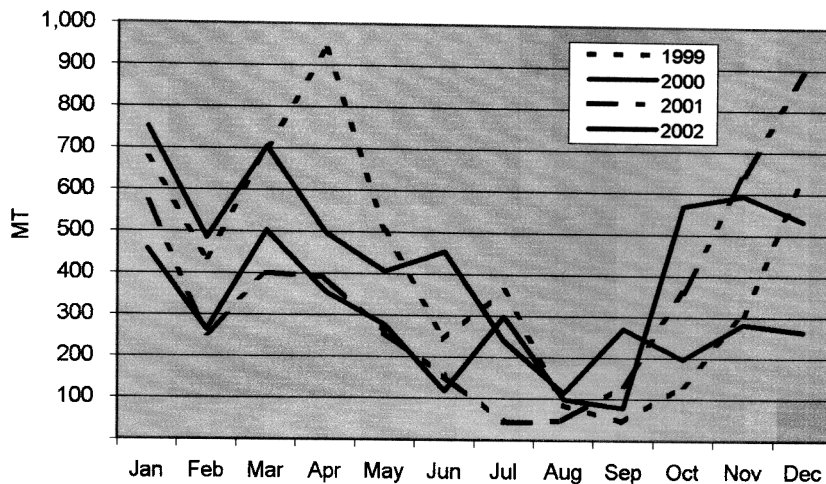
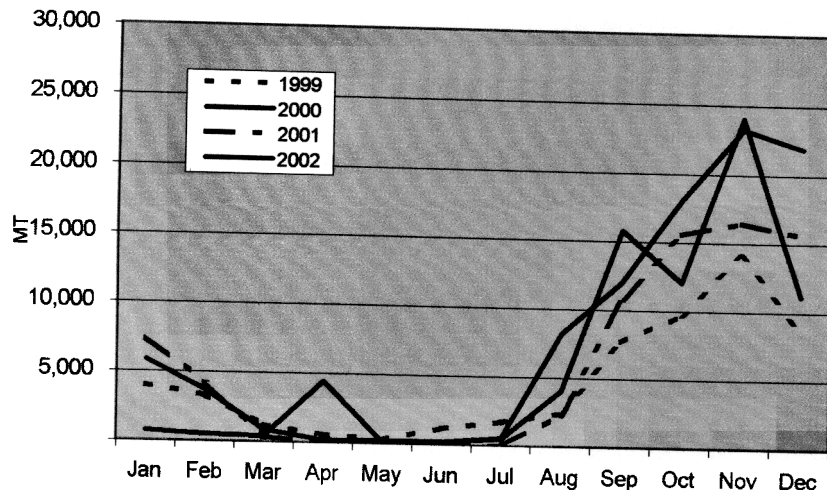
	2001 (JAN-DEC)
BAHAMAS	94.2%
ISRAEL	0.4%
MEXICO	0.3%
	94.8%

Total Imported

Metric Tons	25,222	23,248
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Marketing Order Period

All Year



Hazelnuts/Filberts**Port of Entry**

	2001 (JAN-DEC)	2002 (JAN-DEC)
NEWARK, NJ	28.3%	41.7%
NEW YORK, NY	49.6%	27.7%
NEWPORT NEWS, VA	6.9%	14.1%
SUMAS, WA	5.1%	4.2%
	<u>89.8%</u>	<u>87.7%</u>

Country of Origin

	2001 (JAN-DEC)	2002 (JAN-DEC)
TURKEY	93.6%	94.5%
CANADA	5.4%	4.6%
ITALY	0.9%	0.4%
	<u>99.9%</u>	<u>99.6%</u>

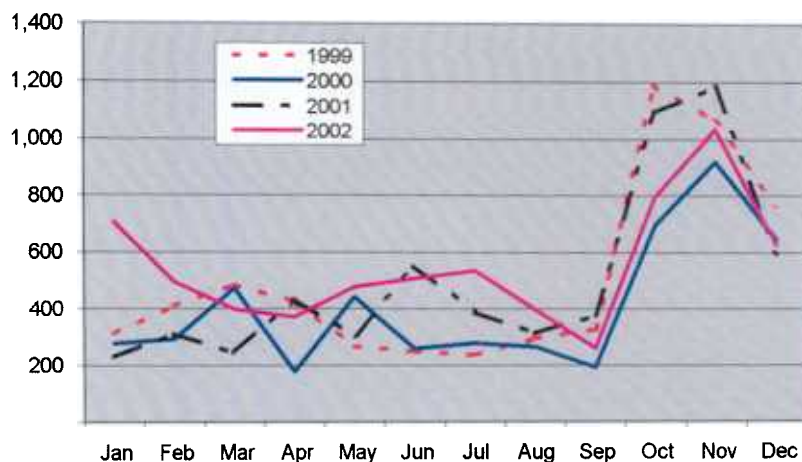
Total Imported

Metric Tons	6,036	6,604
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Marketing Order Period

All Year

MT

**Kiwifruit****Port of Entry**

	2001 (JAN-DEC)	2002 (JAN-DEC)
PHILADELPHIA, PA	30.2%	50.9%
LOS ANGELES, CA	36.3%	27.5%
WILMINGTON, DE	28.0%	11.4%
NEWARK, NJ	4.1%	8.5%
	<u>98.6%</u>	<u>98.3%</u>

Country of Origin

	2001 (JAN-DEC)	2002 (JAN-DEC)
CHILI	46.8%	52.1%
ITALY	12.2%	27.5%
NEW ZEALAND	39.3%	18.2%
	<u>98.2%</u>	<u>97.7%</u>

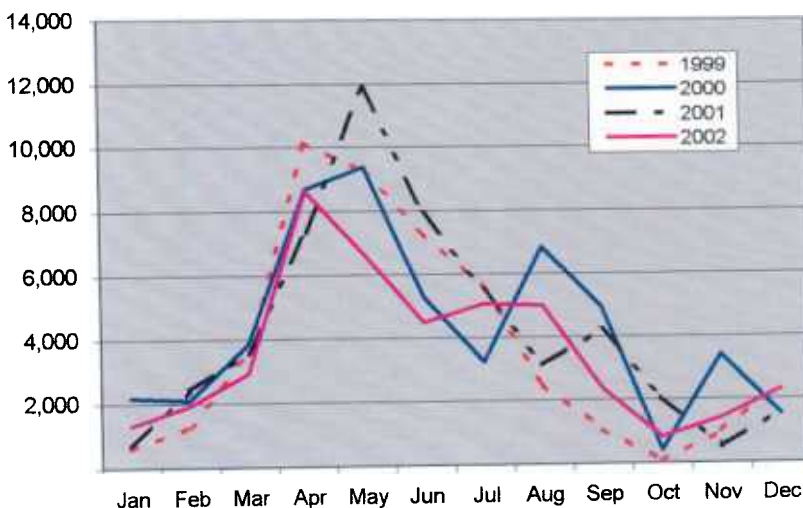
Total Imported

Metric Tons	50,824	42,880
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Marketing Order Period

All Year

MT

**Olives****Port of Entry**

	2001 (JAN-DEC)	2002 (JAN-DEC)
BALTIMORE, MD	22.2%	21.9%
NEWARK, NJ	20.3%	21.4%
HOUSTON, TX	12.0%	10.6%
LOS ANGELES, CA	9.6%	10.0%
	<u>64.1%</u>	<u>63.8%</u>

Country of Origin

	2001 (JAN-DEC)	2002 (JAN-DEC)
SPAIN	70.2%	71.1%
MOROCCO	26.8%	25.7%
TURKEY	1.0%	1.2%
	<u>98.0%</u>	<u>98.0%</u>

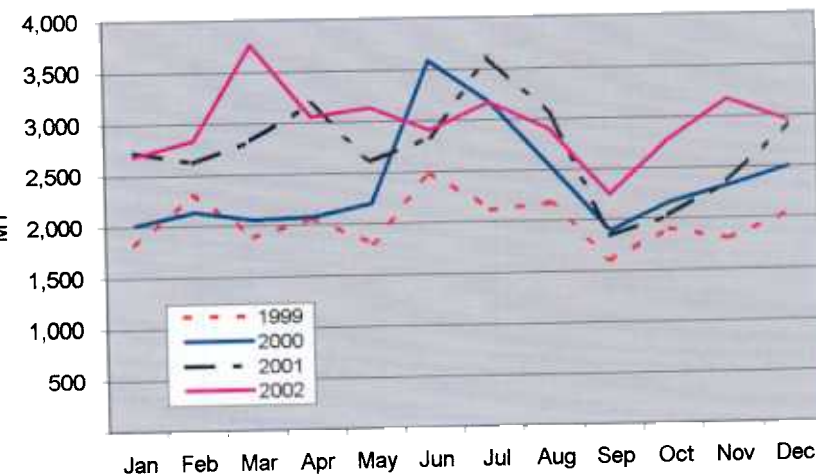
Total Imported

Metric Tons	32,633	35,604
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Marketing Order Period

All Year

MT



Onions*

*Onion import data includes green onion volumes (non-8e) due to use of same tariff Code

Port of Entry

	2001 (JAN-DEC)	2002 (JAN-DEC)
HIDALGO, TX	22.5%	26.4%
CALEXICO (EAST), CA	22.1%	23.7%
SAN LUIS, AZ	8.9%	8.3%
BUFFALO-NIAGARA FALLS, NY	6.2%	6.7%
	59.8%	65.1%

Country of Origin

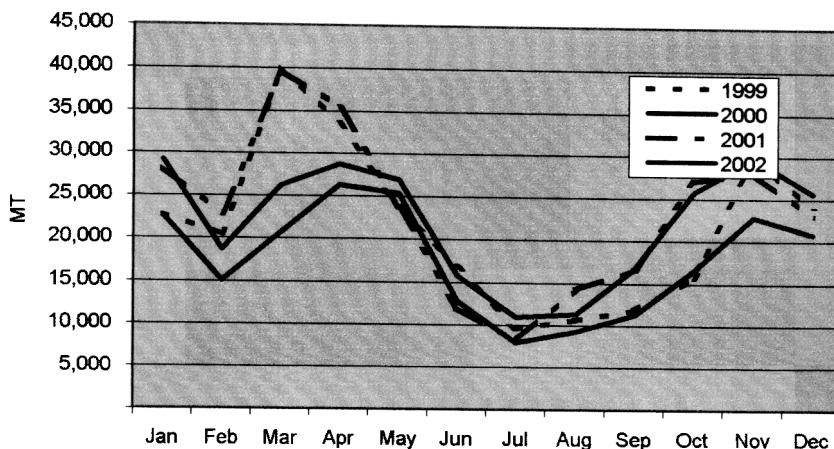
	2001 (JAN-DEC)	2002 (JAN-DEC)
MEXICO	67.2%	66.5%
CANADA	17.4%	16.5%
PERU	9.7%	12.3%
	94.2%	95.3%

Total Imported

Metric Tons	279,181	266,155
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Marketing Order Period

All Year

**Oranges****Port of Entry**

	2001 (JAN-DEC)	2002 (JAN-DEC)
NOGALES, AZ	23.8%	34.0%
SAN DIEGO, CA	29.2%	23.7%
PHILADELPHIA, PA	30.4%	21.6%
FORT PIERCE, FL	6.7%	5.9%
	90.1%	85.2%

Country of Origin

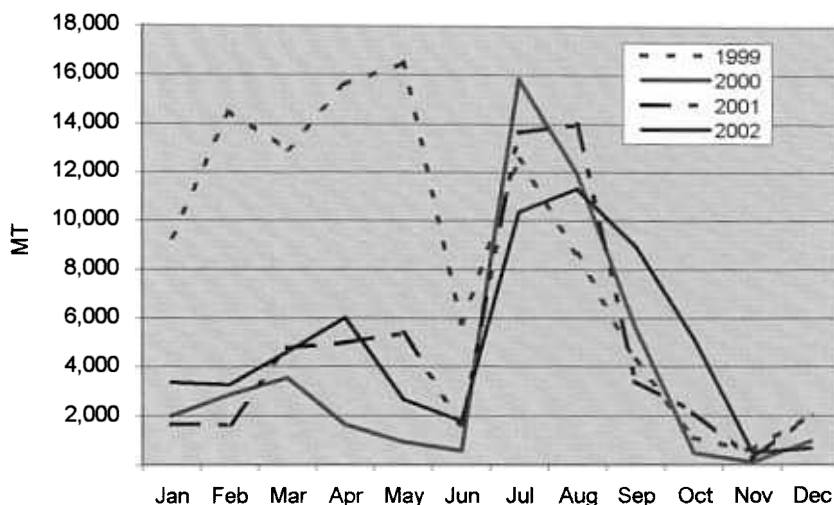
	2001 (JAN-DEC)	2002 (JAN-DEC)
MEXICO	26.8%	40.7%
AUSTRALIA	29.7%	26.4%
SOUTH AFRICA	30.5%	20.9%
	87.0%	88.0%

Total Imported

Metric Tons	55,633	58,717
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Marketing Order Period

Sep 1 - Jun 30

**Potatoes****Port of Entry**

	2001 (JAN-DEC)	2002 (JAN-DEC)
HOULTON, ME	35.1%	28.2%
BUFFALO-NIAGARA FALLS, NY	10.4%	17.8%
CHAMPLAIN-ROUSES, NY	20.9%	13.9%
CALAIS, ME	1.6%	11.2%
	68.0%	71.1%

Country of Origin

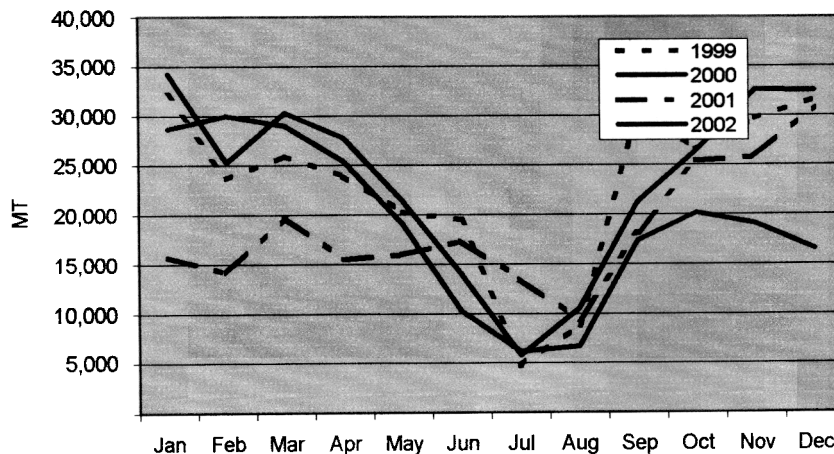
	2001 (JAN-DEC)	2002 (JAN-DEC)
CANADA	99.86%	99.97%
JAPAN	0.018%	0.015%
BRAZIL	0.000%	0.008%
	99.88%	99.99%

Total Imported

Metric Tons	221,302	281,895
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Marketing Order Period

All Year



Port of Entry

Month	1999	2000	2001	2002
Jan	5	5	5	25
Feb	5	5	5	5
Mar	5	5	5	5
Apr	130	10	10	10
May	155	70	10	10
Jun	155	115	55	55
Jul	100	120	35	20
Aug	60	100	115	20
Sep	20	60	35	35
Oct	5	5	5	5
Nov	5	5	5	5
Dec	5	5	5	5

<u>Country of Origin</u>	2001 (JAN-DEC)	2002 (JAN-DEC)
ARGENTINA	86.2%	85.6%
IRAN	1.1%	10.9%
MEXICO	0.0%	1.0%
	<u>87.3%</u>	<u>1.0%</u>

Metric Tons	184	559
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All Year

Port of Entry

Line graph showing the number of MT (Million Tons) for four years: 1999, 2000, 2001, and 2002. The Y-axis ranges from 0 to 3,500 MT. The X-axis represents time, with labels for 1999, 2000, 2001, and 2002. The 1999 series (dashed red line) shows a significant peak in 2000. The 2000 series (solid blue line) shows a peak in 2001. The 2001 series (dashed black line) shows a peak in 2002. The 2002 series (solid magenta line) shows a peak in 2002.

Year	1999	2000	2001	2002
1999	2,500	1,500	2,200	1,800
2000	1,500	2,100	1,800	1,800
2001	2,200	1,800	2,100	1,800
2002	1,800	1,800	1,800	1,800

<u>Country of Origin</u>	<u>2001</u> (JAN-DEC)	<u>2002</u> (JAN-DEC)
CHILI	38.2%	35.7%
MEXICO	32.4%	23.4%
SOUTH AFRICA	7.9%	20.5%
	<u>78.5%</u>	<u>79.6%</u>

Metric Tons	12,844	15,144
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All Year

Port of Entry

The graph displays the monthly total catch (MT) for four years: 1999, 2000, 2001, and 2002. The Y-axis represents the total catch in MT, ranging from 0 to 120,000. The X-axis represents the months from January to December. The data shows significant fluctuations in catch volume across the years. In 2000, the catch peaked in January at approximately 102,000 MT. In 2001, the catch was significantly lower in January, around 30,000 MT, and then rose sharply to nearly 60,000 MT by February. The 1999 and 2002 series show more moderate fluctuations, with 1999 peaking in January at about 80,000 MT and 2002 peaking in January at about 65,000 MT.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1999	80,000	85,000	75,000	55,000	35,000	30,000	35,000	45,000	40,000	45,000	40,000	35,000
2000	102,000	85,000	55,000	45,000	40,000	55,000	45,000	55,000	10,000	10,000	10,000	45,000
2001	30,000	55,000	55,000	45,000	40,000	55,000	45,000	55,000	10,000	10,000	10,000	45,000
2002	65,000	40,000	10,000	55,000	35,000	30,000	35,000	45,000	40,000	45,000	40,000	35,000

<u>Country of Origin</u>	2001 (JAN-DEC)	2002 (JAN-DEC)
CHILE	94.4%	95.0%
ARGENTINA	0.2%	2.5%
MEXICO	3.9%	2.2%
		<u>99.7%</u>

Metric Tons	409,231	449,118
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Apr 20 - Aug 15